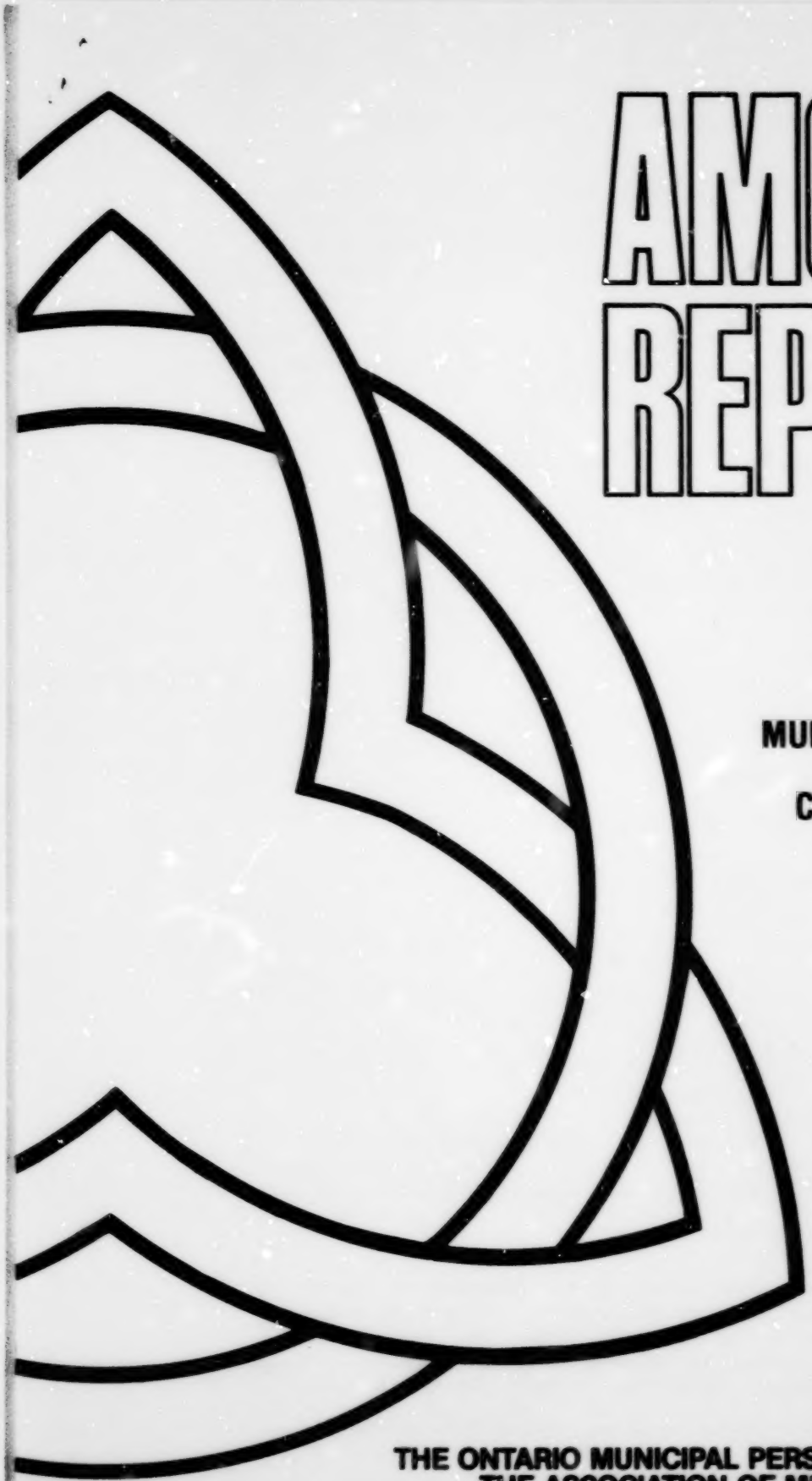

AMO REPORTS 83-15

1984 GUIDELINES FOR MUNICIPAL BARGAINING AND ESTABLISHMENT OF COMPENSATION PACKAGES

THE ONTARIO MUNICIPAL PERSONNEL ASSOCIATION AND
THE ASSOCIATION OF MUNICIPALITIES OF ONTARIO
NOVEMBER 1983

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ASSOCIATION OF MUNICIPALITIES OF ONTARIO

The Association of Municipalities of Ontario, a non-partisan voluntary organization, is united to promote the values of the municipal government system and the status of the municipal level of government as a vital and essential component of the total intergovernmental framework of Ontario and Canada.

The Association acts as the collective voice of Ontario's municipal governments and is organized to accomplish through cooperation and coordination, what the majority have neither the time nor the resources to do individually.

The Association represents some six hundred (600) municipal governments throughout Ontario. The governing body is composed of some eighty (80) municipal elected and appointed officials, who in turn represent a wide-range of municipal government interest.

The following sections and affiliated municipal professional associations form an important part of the Association's structure and therefore, play an important part in its activities in terms of the Board of Directors, program and policy development:

Association Sections:

* County and Regional Section
* Large Urban Section
* Northern Ontario Section (FONOM/NOMA)
* Rural (ROMA) Section
* Organization of Small Urban Municipalities Section

Association Affiliates:

* Association of Municipal Clerks and Treasurers of Ontario
* Association of Municipal Tax Collectors of Ontario
* Municipal Engineers Association
* Ontario Municipal Administrators Association
* Ontario Municipal Personnel Association
* Ontario Municipal Social Services Association
* Society of Directors of Municipal Recreation of Ontario

To the Municipal Clerk:

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1984 Guidelines for Municipal Bargaining and Establishment of Compensations packages

Compensation

Generally all public sector employees were affected in the same way and to the same extent by the Provincial Restraint Program, Bill 179.

If an employer's wages and benefits were in line with other government rates and benefits before the restraint program, there is no reason for any type of catch-up.

Further, with inflation currently running at a level of approximately 5.5% for 1983, the 5% adjustment allowed by the Restraint Program was reasonable and again no catch-up is justified.

It is expected that only in rare cases where inequities existed before the Restraint Program would any type of catch-up be appropriate and then only to the extent to correct the inequity that existed before the Program.

The Restraint Program did freeze merit adjustments forcertain classes of employees (i.e. - earning over $35,000.00). If a merit program for these people existed before the Restraint Program, it should be re-instituted but without any retroactivity to cover the year of the Restraint Program.

Salary schedules should be examined where compression between job levels has occurred during the Program and any inequities should be corrected.

Considering the rise in the Consumer Price Index over the six months ending May 1983, it would appear that the rise in the C.P.I. during 1984 will be in the range of 3% or 5% and any wage adjustments in 1984 should recognize this in providing wage increases that do not exceed 5%. Employers should continue to monitor the "monthly" rise in the C.P.I. during the latter part of 1983 and early 1984 to determine the appropriate level in the 3% to 5% range.

During the time the Restraint Program was in effect, we were left with the understanding there would be a full scale review of the interest arbitration process for public sector employees in Ontario. There should be a renewed pressure on the Provincial authorities to get on with this task (refer to AMO report on arbitration dated September, 1980). Urge the Province to respond to the AMO recommendations.

Bargaining

Assuming that inflation will decrease during 1984, and recognizing the need for restraint.

Recommendation No. 1

> "That every municipality attempt to ensure that its total municipal compensation expenditures do not increase by more than 5% of its immediately preceding year's total expenditures."

Recommendation No. 2

> "That all municipalities examine the benefit levels and cost implications of existing and proposed wage replacement plans to ensure that such plans fulfill their purpose (protection of a sick or disabled employee's earnings) at an acceptable cost to the municipality, and further, that such plans are not used for purposes other than employee illness."

Councils must maintain their right and responsibility to effectively manage the municipal workforce. Historically, the unions have been requesting language changes to the contracts which would seriously diminish management rights.

Recommendation No. 3

> "That all municipalities maintain their management rights and guard against any contract language which reduces this right."

Municipalities should avoid the establishment of "innovative" benefit or paid time-off schemes. Premium costs should be constantly reviewed for all insured services and options, such as fixed dollar versus percentage contributions, carefully studied.

The basic OMERS Final Average Earnings plan is equal to or superior to most plans in industry. Any municipality planning to introduce a supplementary plan should do a careful study and investigation on present and future costs as this is part of the total compensation package.

Recommendation No. 4

> "That no municipality agree to any revised compensation, benefit or paid time-off plan which could be considered as setting a new trend in municipal collective bargaining."

Recommendation No. 5

"With the current economic climate and inflationary trends, two or three year collective agreements would be more desirable, providing recognition is given to declining inflationary trends."

"AMO Reports 83-15" was prepared by the Ontario Municipal Personnel Association, endorsed by AMO, and submitted to the Honourable Claude Bennett, Minister of Municipal Affairs and Housing, and the Honourable Russell Ramsay, Minister of Labour, on December 5, 1983.

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